

Victoria a pocket of vulnerability in Australia's management of COVID19

Politics of COVID19 management is a looming issue

Australia has prosecuted a relatively successful campaign against COVID19. With a population of 25 million it has suffered 266 deaths. However, in what was an apparent failure by authorities to maintain the quarantine of international travellers, poor contact tracing, and bad cross-cultural communication, the virus escaped and has become embedded with community transmission. Cases have more than doubled in the space of just one month to the current level of over 20,000. This has meant a programme of lockdowns of increasing severity and significant disruptions including a curfew. State borders have closed across the country and a cold anger has gripped Victoria where most consider the dire situation to have been avoidable and the result of negligence. There will be political consequences particularly within the State Government. Major failings in the handling of the virus in nursing homes are blamed on the Federal Government which has responsibility for the standards and funding of that sector.

The evolving Sino-Indian border dispute

The dispute has showed signs of broadening in scope rather than resolving

The tempo of **India** and **China's** high-altitude border dispute has fallen, but not the stand-off remains heated. After some retaliatory measures – including the banning of TikTok – India has doubled down. In a [measure](#) announced on July 30, Chinese companies must now have permits from the home affairs and external ministries before bidding for Indian government contracts. Some states have torn up contracts with Chinese firms worth hundreds of millions. Indian electronic industry chiefs have ordered the “[mass cancellation](#)” of contracts with Chinese companies in favour of suppliers from “friendlier countries” like **Taiwan, Poland** and **Japan**.

India recently moved 35,000 troops to the disputed territories, adding to the troops and hardware that both countries have deployed since early May. Part of China's response has been to indirectly pressure India through [claiming](#) an additional 650 square kilometres of **Bhutan's** territory – on top of the 764 square kilometres already claimed. The territory swap 'solution' that Beijing has since taken to Bhutan's rulers would see the tiny Himalayan Kingdom cede control of Doklam. New Delhi views Doklam as strategically crucial because it adjoins the Siliguri Corridor, commonly known as the 'Chicken's Neck' – India's only territorial link to its northeast. Significant Indian concessions could induce Beijing to ease the pressure on Bhutan but for the moment, concessions appear unlikely. The contours of a lasting Sino-Indian dispute are beginning to take shape.

Vietnam faces costs of Chinese pressure

Vietnam has been forced to compensate international oil companies operating in the South China Sea

Vietnamese state-owned energy company PetroVietnam has recently been [forced](#) to pay around \$US1 billion to Repsol and Mubadala in termination and compensation payments. Both companies had extensive holdings within Vietnam's Exclusive Economic Zone (EEZ), located in the western part of the South China Sea (SCS) – which China claims as its own sovereign waters. In both 2017 and 2018, the Repsol was ordered by the Vietnamese

government to cease operations. On both occasions the Vietnamese directives reflected a desire to avoid conflict and were in direct response to intense **Chinese** pressure. In the 2018 incident, China appeared ready for confrontation and had assembled an armada of 40 naval ships off the coast of Hainan, two days sailing from Repsol's drilling activities. These are not isolated incidents. Earlier this year, China used its Coast Guard to interfere with **Russian** oil company Rosneft's operations in Vietnamese waters. Operating in **Malaysia's** EEZ, Malaysian company Petronas also faced sustained harassment from Chinese ships. China appears determined to exercise a veto over resource development in large parts of the SCS. The intended end game of this strategy is likely to force rival claimants to pursue 'joint-development' or negotiate disputes on terms favourable to Beijing. However, any perceived capitulation would likely not be well received by vocal nationalist constituencies in most SCS claimant countries, including China. There is thus no guarantee that China's strategy will be successful.